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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।

Separate paging is given to this Part in order that it may be filed as a separate compilation.

MINISTRY OF COMMERCE

PUBLIC NOTICES

IMPORT TRADE CONTROL

New Delhi, the 14th July 1967

SUBJECT.—*Dutch General Purpose Credit—Licensing conditions applicable thereunder for private sector imports.*

No. 63-ITC(PN)/67.—The terms and conditions governing the issuance of import licences financed under the Dutch General Purpose Credit given in Appendix to this Public Notice are notified for information of trade.

APPENDIX

Conditions for Licensing Private Sector Imports under the Dutch Credit (General Purpose) effective from 1-1-1967

1. The licence will be issued with an initial validity period of 3 months and may be submitted to the Chief Controller of Imports & Exports for revalidation during the 4th month giving reasons for delay in placing orders and indicating the date by which orders would be placed. Such requests will be considered on merits by Chief Controller of Imports & Exports in consultation with Ministry of Finance (DEA).

In case where Letter of Authority has been issued by the Department of Economic Affairs of the Ministry of Finance, or where under the Reimbursement system, the contract has been made "effective", the Chief Controller of Imports & Exports may, without referring the cases to that Department, revalidate the licences suitably but leaving a gap of clear six months from the last date of disbursement allowed under the credit Agreement in question.

2. The contract of supply between the Indian importer and the Dutch supplier is subject to the approval of the Government of India and De Nederlandse Investeringsbank Voor Ontwikkelingslanden N.V. (The Netherlands Investment Bank for Developing countries, N.V.). The Hague, for financing under the Dutch Credit (General Purpose) arrangement.

3. The value of the contract should be expressed only in Dutch Guilders and on the basis of c.i.f. or c. & f. cost. The contract should normally provide for payment on cash basis i.e. on presentation of shipping documents. For any customary performance guarantee, where required, a small amount subject to about 10% of the contract value could be withheld or the supplier could furnish a bank guarantee for the purpose.

4. The following procedure will be followed for submission of contracts:

(i) *Cases where the Dutch authorities' approval in principle has not been obtained.*

The importer will furnish to the Department of Economic Affairs (Europe I Section) the following details to enable the Dutch approval being obtained:—

- (a) Items of machinery, equipment, etc. to be obtained;
- (b) The name and address of the Dutch Suppliers;
- (c) Whether all the items required are of Dutch Origin. If not, what is the percentage of non-Dutch origin equipment. (Normally the Dutch General Purpose Credit does not finance the purchase of items of non-Dutch origin);
- (d) C.I.F. or C. & F. cost of the import—both in D.G. and Rupee.

After the Dutch approval has been obtained to the proposal the procedure outlined under para (ii) hereinafter will be applicable.

(ii) *Cases where the Dutch authorities' approval has been obtained either as a consequence to (i) above or where a general approval is available.*

(1) The importer will conclude a contract with the following clause:—

“This contract will be governed by the ‘direct payment system’ of the Dutch General Purpose Credit and will become effective after the Government of India’s approval to this effect has been received.”

(2) In cases where the importer wishes to adopt the reimbursement system, the words ‘direct payment’ indicated in (1) above, will be substituted by the words “re-imbursement system” but the value of such cases will not exceed Rs. 1 lakh. In such cases it will not be necessary to send to Government of India a Bank Guarantee but the parties may have (will need) to open *Letters of Credit*, if required by the Suppliers.

(3) (a) Five copies of the contract, when concluded, should be furnished by the importer to the Ministry of Finance (Department of Economic Affairs, Europe I Section), New Delhi. The following information should also be sent with the forwarding letter to the Department of Economic Affairs alongwith copies of the contract. In cases covered by ‘Direct Payment Procedure’ they should also send Bank Guarantee (Annexure-I):

- (i) Name and address of the Indian importer and/or Project authority where necessary.
- (ii) Name and address of the Dutch supplier.
- (iii) Name and address of the Supplier's bank in the Netherlands, if any, and the importers bank in India.
- (iv) Value of the contract in Dutch guilders and in Indian Rupees.
- (v) Short description of goods to be imported.
- (vi) A schedule indicating probable dates and amounts of payments to be made to the supplier under the contract.

(b) The importer shall also furnish the necessary information as per para 4(i) to (d) and the *Bank Guarantee* etc. alongwith the contract.

5. On receipt of five copies of the contract and the information required in paragraph 4 above, the Department of Economic Affairs will inform the De Nederlandse Investeringsbank Voor Ontwikkelingslanden N. V. The Hague that the contract is proposed to be financed under the Dutch General Purpose arrangements. A Letter of Authority (Annexure-II) will also simultaneously be issued in the case of direct payment system. Letter of Authority is not necessary under the Re-imbursement Procedure. As soon as the approval of the said Bank to the financing of the contract under Dutch Credit is received, the importer will be informed that the contract has become effective.

Direct payment system vide para 4(ii)(1) above

6. (i) The payment to the Dutch suppliers or their bankers under the contract will be made by the De Nederlandse Investeringsbank Ontwikkelingslanden N. V. The Hague against the Letter of Authority issued by the Ministry of Finance, Department of Economic Affairs, Europe I Branch.

(ii) The importer will have to pay the rupee equivalent of the amounts in Dutch Guilders charged by De Nederlandse Investeringsbank Voor Ontwikkelingslanden N. V. the Hague, Holland towards banking and other incidental charges at the rate of conversion mentioned in para 6(iii)

(iii) The importer will have to deposit:—

(a) The rupee equivalent of the payments to the supplier or their bankers in Dutch Guilders by applying the prevailing composite rate of conversion. The current rate is 1 D.G.=Rs. 2.093 and any change in the same will be communicated to the importers as and when it takes place.

(b) Interest at the rate of 6% (or any other rate advised to the importer) per annum for the period between the date of actual payment to the suppliers by the De Nederlandse Investeringsbank Voor Ontwikkelingslanden N. V. the Hague, Holland and the date of actual deposit of the rupee equivalent for credit to Government Account.

Re-imbursement system, vide para 4(ii) (2) above

7. (i) The importer will make payments against the Letter of Credit opened by him on the strength of Exchange Control copy of the Import Licence, and furnish to the S.A.O. Department of Economic Affairs (Economic Aid Accounts Section), within 15 days of the shipment of goods a certificate of payment from the Bank paying to the supplier and also two copies of the invoice bearing a certificate from the supplier that the supplier has received a sum of _____ Dutch Guilders amounting to 100 per cent of the invoice value on shipment of goods, *except* for the amount held back for customary performance guarantee to enable this Department to claim reimbursements from the Credit in due course.

(ii) Where some account, say 10 per cent has been withheld towards performance guarantee, the importers will furnish to the Department of Economic Affairs (Economic Aid Accounts Section) as soon as the amount has been paid to the Dutch Supplier, two copies of the invoice bearing a certificate from the supplier that:

The supplier has received a sum of _____ Dutch Guilders amounting to _____ of the invoice value (on satisfactory performance of the plant).

Any omission on the part of importers to send the reimbursement documents promptly to the Deptt. of Economic Affairs will be viewed seriously.

NOTE.—The moneys specified in paragraph 6(ii) above shall be deposited with the State Bank of India, Delhi or the Reserve Bank of India, New Delhi or remitted by means of a demand draft in the name of A.G.C.R., New Delhi and drawn on State Bank of India, New Delhi, for credit to the Central Government Account—T Deposits and Advances Part II Deposits not bearing interest—Civil Deposits—Deposits for purchases abroad under direct payment procedure under foreign loans credits; under detailed head "Deposits for cost of equipment etc. obtained under the Dutch Credit (General Purposes). The demand-draft mentioned above should be sent to A.G.C.R. under intimation to Senior Accounts Officer, Ministry of Finance (D.E.A.), New Delhi.

NOTE 2.—No remittances from India will be permitted against this import licence towards the cost of the goods to be imported from Netherlands under the "Direct Payment System."

ANNEXURE I
Guarantee Bond

To

The President of India,

In consideration of the President of India (hereinafter called 'the Government') having agreed to arrange for payment in D.G. for the import of _____ by _____ (hereinafter called the 'importer') under the terms and conditions of Dutch General Purpose Credit and in pursuance of Import Licence No. _____ issued on _____ in favour of the Importer against the above-mentioned agreement, we _____ Bank Ltd., at the request of the importer hereby undertake to deposit the amounts of the disbursements made by De Nederlandsche Inveſteringsbank Voor Ontwikkelingslanden N. V. The Hague converted at the rate of 1 D.G.=Rs. 2.093 within ten days of the receipt of advice of payment, for credit to the Government account in the manner and against the appropriate Heads of Accounts as indicated by Government of India under the said credit together with interest thereon at the rate of 6% per annum, from the date of payment to the Dutch supplier to the date of payment of Rupee equivalent for credit to the Government account. The negotiable set of import documents received from the Dutch Bank will be released to the Importer only after the rupee deposits contemplated above have been made.

2. We the _____ Bank Ltd., also undertake to indemnify and keep indemnified the Government against any default in payment by the Importer of any sum that may be due and payable from time to time by the Importer to the Government at such place and in such manner as the Government may from time to time direct, such sums not exceeding Rs. _____, or any part thereof, for the time being due and payable by the importer, together with interest thereupon at the rate of six per cent per annum, from the date of payment to the Dutch supplier out of the Dutch credit. The decision of the Government as to any default in the said payment by the importer, or on his part and in regard to the amount payable to the Government by us _____ Bank Ltd., shall be final and binding on us _____ Bank Ltd.

3. We _____ Bank Ltd., further agree that in case of increase in the value of imports or increase in the value of unfulfilled deliveries under the contract as a result of change in the composite rate of exchange mentioned in para 1, the amount of this guarantee bond will be adjusted as on the date when the change takes place, in proportion to this change.

4. We _____ Bank Ltd., further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said agreement/contract and that it shall continue to be enforceable till all the dues to the Government under, or by virtue of this guarantee have been fully paid and its claims satisfied or discharged.

5. The guarantee herein contained shall not be affected by any change in the constitution of the importer or the _____ Bank Ltd., and the Government shall have the fullest liberty without affecting the guarantee to postpone for any time and from time to time any of the powers exercisable by it against the importer and either to enforce payment by the Importer of any of the amounts the payment whereof is intended to be hereby secured and the _____ Bank Ltd., shall not be released from its liability under this guarantee by any exercise of the Government of the liberty with reference to the matters aforesaid or by reason of time being given to the Importer or any other forbearance, act or omission on the part of the Government or any indulgence by the Government to the Importer or by any other matter or thing whatsoever which under the law relating to sureties shall, but for this provision, have the effect of so releasing the _____ Bank Ltd., from its such liability.

6. We _____ Bank Ltd., lastly undertake not to revoke this guarantee during its currency, except with previous consent of the Government, in writing. This guarantee will be valid upto _____

Dated the _____ day of _____
19 for _____
Bank Ltd.

Accepted for and on behalf of the
President of India by Shri _____
(Name and designation)

Signature

Signature

NOTE.—The validity period of this guarantee should be six months beyond the proposed date of expiry of the relevant Letter of Authority applied for.

NOTE.—The value of the stamped paper on which this guarantee is to be executed is to be adjudicated by the Collector of Stamps.

ANNEXURE II
No. F.
GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(Department of Economic Affairs)

New Delhi, the 19

To

The Netherlands Investmentbank for Developing Countries,
The Hague, NETHERLANDS.

Agreement for the loan of _____ million Netherlands Guilders—
Request for direct payment.

Dear Sirs,

LETTER OF AUTHORITY NO. _____

With reference to our application of today's date as to the financing of the transaction between M/s. _____ India

and M/s. _____

Holland, out of the loan made by your Bank to India, we hereby request and authorise you unconditionally and irrevocable to pay in accordance with the terms and conditions of the above mentioned contract to _____ (_____ only)

Holland the amount of N.fl _____ in favour of M/s. _____

Holland. It is requested that a copy of the debit advice along with the invoices, shipping and other documents presented by the Dutch supplier be despatched direct to the Indian Importer/Importer's banker (_____).
Name of the Importers Bank/Importer

Kindly forward the debit advice to the Government of India, Ministry of Finance, Deptt. of Economic Affairs, (Economic Aid Account Branch), Bombay Mutual Building, Parliament Street, New Delhi. This letter of authority will remain valid till _____.

For the President of India

Under Secretary to the Government of India

Copy to _____

(Name of the Bank)

They are requested to arrange deposit of the rupee equivalents of the payments in D.G. made to suppliers/Bank within 10 days of the receipt of documents from the Dutch National Bank. The rupee equivalent will have to be calculated by applying the prevailing composite rate of exchange. The current rate is 1 D.G.=Rs. 2.093. Any change in this rate will be communicated to them as and when it takes place. Interest at the rate of 6% p.a. for the period between the date of payment to the Suppliers and the date on which the rupee equivalents are deposited is also required to be deposited to Government account. It will be their responsibility to arrange for the deposit of these amounts before the negotiable set of import documents is handed over to the Importers. These amounts should be deposited either with the Reserve Bank of India, New Delhi or the State Bank of India, Delhi or remitted by means of a demand draft drawn on the State Bank of India New Delhi in favour of A.G.C.R., New Delhi. The Head of Account to be credited is T-Deposits and Advances Part II-Deposits not bearing interest-Civil Deposits—Deposits for purchases abroad under Direct Payment Procedure under foreign credits under the detailed head "Deposits for cost of equipment etc. obtained under the Dutch Credit (General Purpose). One copy of the challan or intimation regarding the submission of Demand Draft to A.G.C.R. should be sent to Senior Accounts Officer, Ministry of Finance (D.E.A.) Economic Aid Accounts Branch, Jeewan Deep Building, Parliament Street, New Delhi-1, along with full details of the Advice Notes received from the Dutch Bank including Letter of Authority number.

Under Secretary to the Govt. of India.

SUBJECT:—*Acceptance of Treasury Challans—Import licence application fees.*

No. 64-ITC(PN)/67.—It has come to notice that the Treasury Challans submitted by the importers, alongwith the applications for import licences, often times, do not indicate the correct and full 'Head of Account' as prescribed in Section I of the Red Book.

2. The applicants are advised, in their own interest, to prefer the Treasury Challans to the Licensing authorities, complete in all respects. Incomplete Treasury Challans will not be accepted in future.

P. D. KASBEKAR,

Chief Controller of Imports & Exports.